

ASSEMBLY BILL

No. 307

Introduced by Assembly Member Maddox

February 7, 2003

An act to amend Sections 69432 and 69433.5 of, and to add Article 6.5 (commencing with Section 69439.5) to Chapter 1.7 of Part 42 of, the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 307, as introduced, Maddox. Student financial aid: Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program: Cal Grant NG Awards.

Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

This bill would establish the Cal Grant NG Award Program. The bill would require that, commencing with the 2004–05 academic year, Cal Grant NG awards would be made to qualifying members of the California Army National Guard and the California Air National Guard for full-time study or student loan repayment in an amount equivalent to the sum of the annual educational fee and annual registration fee charged to California resident undergraduate students at the University of California for the academic year of the award. The bill would require that these awards would be prorated for qualifying students who are

enrolled for part-time study. The bill would specify that Cal Grant NG awards would not be subject to state or local taxes, and would not be based upon the financial need of applicants.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 69432 of the Education Code is
2 amended to read:

3 69432. (a) Cal Grant Program awards shall be known as “Cal
4 Grant A Entitlement Awards,” “Cal Grant B Entitlement
5 Awards,” “California Community College Transfer Entitlement
6 Awards,” “Competitive Cal Grant A and B Awards,” “Cal Grant
7 C Awards,” “*Cal Grant NG Awards*,” and “Cal Grant T Awards.”

8 (b) Maximum award amounts for students at independent
9 institutions and for Cal Grant C and T awards shall be identified
10 in the annual Budget Act. Maximum award amounts for Cal Grant
11 A and B awards for students attending public institutions shall be
12 referenced in the annual Budget Act.

13 SEC. 2. Section 69433.5 of the Education Code is amended
14 to read:

15 69433.5. (a) Only a resident of California, as determined by
16 the commission pursuant to Part 41 (commencing with Section
17 68000), is eligible for an initial Cal Grant award. The recipient
18 shall remain eligible for award renewal only if he or she is a
19 California resident, *and* in attendance; and making satisfactory
20 academic progress at, a qualifying institution, as determined by the
21 commission.

22 (b) A part-time student shall not be discriminated against in the
23 selection of Cal Grant Program award recipients, and an award to
24 a part-time student shall be approximately proportional to the time
25 the student spends in the instructional program, as determined by
26 the commission. A first-time Cal Grant Program award recipient
27 who is a part-time student shall be eligible for a full-time renewal
28 award if he or she becomes a full-time student.

29 (c) Cal Grant Program awards shall be awarded without regard
30 to race, religion, creed, sex, or age.



(d) No applicant shall receive more than one type of Cal Grant Program award concurrently. Except as provided in Section 69439.5 or 69440, no applicant shall:

(1) Receive one or a combination of Cal Grant Program awards in excess of the amount equivalent to the award level for a total of four years of full-time attendance in an undergraduate program, except as provided in Section 69433.6.

(2) Have obtained a baccalaureate degree prior to receiving a Cal Grant Program award, ~~except as provided in Section 69440.~~

(e) A Cal Grant Program award, except as provided in Section 69439.5 or 69440, may only be used for educational expenses of a program of study leading directly to an undergraduate degree or certificate, or for expenses of undergraduate coursework in a program of study leading directly to a first professional degree, but for which no baccalaureate degree is awarded.

~~(f) Commencing in 1999, the~~ The commission shall, for students who accelerate college attendance, increase the amount of award proportional to the period of additional attendance resulting from attendance in classes that fulfill requirements or electives for graduation during summer terms, sessions, or quarters. In the aggregate, the total amount a student may receive in a four-year period may not be increased as a result of accelerating his or her progress to a degree by attending summer terms, sessions, or quarters.

(g) The commission shall notify Cal Grant award recipients of the availability of funding for the summer term, session, or quarter through prominent notice in financial aid award letters, materials, guides, electronic information, and other means that may include, but not necessarily be limited to, surveys, newspaper articles, or attachments to communications from the commission and any other published documents.

(h) The commission may require, by the adoption of rules and regulations, the production of reports, accounting, documents, or other necessary statements from ~~the~~ an award recipient and the college or university of attendance pertaining to the use or application of the award.

(i) A Cal Grant Program award may be utilized only at a qualifying institution.

SEC. 3. Article 6.5 (commencing with Section 69439.5) is added to Chapter 1.7 of Part 42 of the Education Code, to read:

Article 6.5. Cal Grant NG Program

69439.5. (a) Commencing with the 2004–05 academic year, Cal Grant NG awards shall be made for full-time study or student loan repayment in an amount equivalent to the sum of the annual educational fee and annual registration fee charged to California resident undergraduate students at the University of California for the academic year of the award. These awards shall be prorated for qualifying students who are enrolled for part-time study. Notwithstanding any other provision of law, no state or local taxes shall be imposed upon any amount received by a California resident under this article.

(b) Notwithstanding Sections 69432.7 and 69433, a Cal Grant NG award is not based upon the financial need of the applicant. A member of the California National Guard qualifies for a Cal Grant NG award if he or she meets all of the following requirements:

(1) Active membership in the California Army National Guard or the California Air National Guard, as defined in Section 101 of Title 32 of the United States Code as that section exists on January 1, 2003, for a minimum of one year prior to the submission of an application for an award under this article.

(2) Satisfactory participation in unit training, as required by Section 502 of Title 32 of the United States Code as that section exists on January 1, 2003, with 100 percent constructive attendance during the year prior to submission of an application for an award under this article and for all subsequent periods during which an award under this article is provided or requested.

(3) Accomplishment of either of the following:

(A) Enrollment, on an at least a half-time basis, in an undergraduate or graduate program of instruction at a qualifying institution, while maintaining a grade point average of at least 2.5 on 4.0-point scale.

(B) Completion of an undergraduate or graduate degree at a qualifying institution.

(c) (1) A qualified person who meets the requirements of subparagraph (A) of paragraph (3) of subdivision (b) may receive an annual Cal Grant NG award.

(2) The commission shall make a loan assumption payment in the amount of an annual Cal Grant NG award for a qualified person who meets the requirements of subparagraph (B) of paragraph (3)

- 1 of subdivision (b) and who has received a loan under one or more
- 2 of the following loan programs:
- 3 (A) The Federal Family Education Loan Program (20 U.S.C.
- 4 Sec. 1071 et seq.).
- 5 (B) Any loan program approved by the commission.

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